

JEFFERSON COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2004

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JEFFERSON COUNTY

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2004)		
Mike Pech	Board of Supervisors	Jan. 2005
Sephen Burgmeier	Board of Supervisors	Jan. 2005
Richard C. Reed	Board of Supervisors	Jan. 2007
Scott Reneker	County Auditor	Jan. 2005
Connie Hedger	County Treasurer	Jan. 2007
Charlotte Fleig	County Recorder	Jan. 2007
Jerry Droz	County Sheriff	Jan. 2005
Timothy W. Dille	County Attorney	Jan. 2004
Sheri Blough	County Assessor	Jan. 2004
(After January 2004)		
Mike Pech	Board of Supervisors	Jan. 2005
Sephen Burgmeier	Board of Supervisors	Jan. 2005
Richard C. Reed	Board of Supervisors	Jan. 2007
Scott Reneker	County Auditor	Jan. 2005
Connie Hedger	County Treasurer	Jan. 2007
Charlotte Fleig	County Recorder	Jan. 2007
Jerry Droz	County Sheriff	Jan. 2005
Timothy W. Dille	County Attorney	Jan. 2007
Sheri Blough	County Assessor	Jan. 2010

INDEPENDENT AUDITOR'S REPORT

To the Officials of Jefferson County:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, Iowa, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Jefferson County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County at June 30, 2004 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 13 to the financial statements, during the year ended June 30, 2004, Jefferson County adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures; Statement No. 41, Budgetary Comparison Schedule - Perspective Differences; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2004 on our consideration of Jefferson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 6 through 13 and 50 through 53 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (none of which are presented herein) and expressed qualified opinions on those financial statements due to the effects of the omission of the general fixed asset account group. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Oskaloosa, Iowa
December 10, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jefferson County, Iowa, provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

Because Jefferson County is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the County's financial position and results of operations.

2004 FINANCIAL HIGHLIGHTS

- The County's Governmental fund revenues increased approximately \$293,304 from fiscal 2003 to fiscal 2004. Property taxes and other county tax increased approximately \$98,138.
- The County's Governmental fund expenditures increased approximately \$568,304, more in fiscal 2004 than in fiscal 2003. Roads and transportation expenditures increased by approximately \$325,931 and capital projects expenditures increased approximately \$215,207.
- The County's net assets increased 43%, or approximately \$3,481,027, from June 30, 2003 to June 30, 2004.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Jefferson County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Jefferson County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Jefferson County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor Special Revenue, Debt Service and Capital Projects Funds and the individual Agency Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has two kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for E-911 services, emergency management services and the County Assessor, to name a few.

The required financial statements for fiduciary funds include a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Jefferson County's combined net assets increased from \$8,118,889 to \$11,599,916. The analysis that follows focuses on the changes in the net assets for governmental activities.

Net Assets of Governmental Activities

	June 30, 2004
Current and other assets	\$11,626,668
Capital assets	<u>8,178,297</u>
Total assets	<u>19,804,965</u>
Long-Term debt outstanding	4,498,731
Other liabilities	<u>3,706,318</u>
Total liabilities	<u>8,205,049</u>
Net assets:	
Invested in capital assets, net of related debt	4,008,793
Restricted	6,990,171
Unrestricted	<u>600,952</u>
Total net assets	<u>\$11,599,916</u>

Net assets of Jefferson County's governmental activities increased by \$3,481,027 (\$8,118,889 compared to \$11,599,916). The largest portion of the County's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—are reported at approximately \$600,952 at June 30, 2004.

Changes in Net Assets of Governmental Activities

	Year ended June 30, 2004
Revenues:	
Program revenues:	
Charges for service	\$ 808,653
Operating grants, contributions and restricted interest	3,112,603
Capital grants, contributions and restricted interest	1,472,967
General revenues:	
Property tax	4,365,128
Penalty and interest on property tax	62,374
State tax credits	193,207
Local option sales tax	1,184,693
Grants and contributions not restricted to specific purposes	22,185
Unrestricted investment earnings	136,299
Other general revenues	77,813
Total revenues	<u>11,435,922</u>
Program expenses:	
Public safety and legal services	2,074,501
Physical health and social services	554,694
Mental health	1,157,048
County environment and education	433,641
Roads and transportation	2,305,951
Governmental services to residents	328,567
Administration	798,933
Non-program	65,545
Interest on long-term debt	236,015
Total expenses	<u>7,954,895</u>
Increase (decrease) in net assets	3,481,027
Net assets beginning of year	<u>8,118,889</u>
Net assets end of year	<u><u>\$ 11,599,916</u></u>

The County increased property tax rates for 2004 by an average of 1.9 percent. The County's property tax revenue increased by approximately \$106,043 in fiscal 2004.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jefferson County completed the year, its governmental funds reported a combined fund balance of \$7,909,621, an increase of \$871,781 above last year's total of \$7,037,840. The increase in fund balance is primarily attributable to Local Option Sales and Services Tax. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures were \$3,843,099 and \$3,926,165, respectively. The ending fund balance showed a decline of \$49,486 from the prior year to \$1,303,075.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$1,157,048, a decrease of 7.8% from the prior year. The Mental Health Fund balance at year end increased by approximately \$212,352 over the prior year.
- Secondary Roads Fund expenditures increased by approximately \$333,520 over the prior year, due principally to snow and ice control, need to replace equipment and culvert repair work due to rains. The Secondary Roads Fund ending balance increased approximately \$145,587, or 10.1%.
- Local Option Sales and Services Tax Fund balance showed an increase of \$559,332 from the prior year to \$2,537,897.

BUDGETARY HIGHLIGHTS

Over the course of the year, Jefferson County amended its budget two times. The first amendment was made in April 2004 and resulted in an increase in budgeted disbursements related to Attorney's telephone system, Drug Task Force Attorney's FICA and IPERS, Empowerment program, General Relief hospital and county burial bills, Treasurer's computer, County Conservation land acquisition, and Sheriff's impound lot, water conditioning system and communications tower. The second amendment was made on June 1, 2004. This amendment was made to allow for substance abuse treatment and interest on the Courthouse roof loan. The County did not exceed the budget in any of the ten County functions for the year ended June 30, 2004.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, Jefferson County had approximately \$8,178,297 invested in a broad range of capital assets (net of accumulated depreciation of \$2,862,964), including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$1,942,804 or 31.2% over last year.

Capital Assets of Governmental Activities at Year End

	<u>June 30, 2004</u>
Buildings and improvements	\$5,201,163
Equipment and vehicles	1,406,261
Infrastructure	<u>1,570,873</u>
	<u>\$8,178,297</u>
 This year's major additions included	
Courthouse Roof	\$ 324,092

The County had depreciation expense of \$378,179 in FY 04 and total accumulated depreciation of \$2,862,964 at June 30, 2004.

The County's fiscal year 2004 capital budget included \$740,000 for capital projects, principally for roadway construction and Courthouse roof projects. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Liabilities

At June 30, 2004, Jefferson County had approximately \$4,498,731 in revenue bonds and other liabilities outstanding compared to approximately \$5,150,934 at June 30, 2003, as shown below.

Outstanding Debt of Governmental Activities at Year-End	
	June 30, 2004
Revenue Bonds	3,930,000
Capital Loan Notes	452,000 -
Compensated absences	116,731 -
Total	\$ 4,498,731

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. Jefferson County's outstanding general obligation debt is significantly below its constitutional debt limit of \$35,741,147. Other obligations include accrued vacation pay and sick leave. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Jefferson County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2005 budget, tax rates, and the fees that will be charged for various County activities. One of those factors is the economy. The County's nonagricultural employment growth was 1.4% from 2000-2001, while its population declined 1.0 % from 2000-2003. Unemployment in the County now stands at 6.4 percent versus 6.3 percent a year ago. This compares with the State's unemployment rate of 4.7 percent and the national rate of 5.4 percent.

These indicators were taken into account when adopting the budget for fiscal year 2005. Amounts available for appropriation in the operating budget are \$9,252,160, a decrease of 6.1% from the final amended 2004 budget. Property tax (declining from the 2004 rate decrease and decreases in assessed valuations) is expected to result in a \$406,646 decrease for fiscal 2005. Budgeted disbursements are expected to fall by approximately \$565,897. Mental Health and Capital Projects represent the largest decrease. The County has added no major new programs or initiatives to the 2005 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease \$1,550,547 by the close of the 2005.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Jefferson County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Jefferson County Auditor's Office, 51 E. Briggs, Fairfield, Iowa.

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Basic Financial Statements

JEFFERSON COUNTY
STATEMENT OF NET ASSETS
June 30, 2004

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 7,487,399
Receivables:	
Property tax:	
Delinquent	14,049
Succeeding year	3,384,000
Interest and penalty on property tax	39,727
Accounts	44,652
Accrued interest	32,579
Due from other governments	370,369
Inventories	173,695
Prepaid expenses	80,198
Capital assets, net of accumulated depreciation (note 4)	<u>8,178,297</u>
Total assets	<u>19,804,965</u>
Liabilities	
Accounts payable	174,987
Due to other governments	104,284
Accrued interest payable	43,047
Deferred revenue:	
Succeeding year property tax	3,384,000
Long-term liabilities (note 6):	
Portion due or payable within one year:	
Urban renewal tax increment revenue bonds	205,000
Local option sales and services tax revenue bonds	410,000
Capital loan note certificates	35,500
Capital loan notes	130,000
Compensated absences	116,731
Portion due or payable after one year:	
Urban renewal tax increment revenue bonds	930,000
Local option sales and services tax revenue bonds	2,385,000
Capital loan note certificates	16,500
Capital loan notes	<u>270,000</u>
Total liabilities	<u>8,205,049</u>

JEFFERSON COUNTY
STATEMENT OF NET ASSETS
June 30, 2004

	<u>Governmental Activities</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 4,008,793
Restricted for:	
Supplemental levy purposes	596,064
Mental health purposes	572,078
Secondary roads	1,530,402
Rural services	393,004
Capital projects	2,537,897
Other special revenue purposes	1,360,726
Unrestricted	<u>600,952</u>
Total net assets	\$ <u><u>11,599,916</u></u>

See notes to financial statements.

JEFFERSON COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest		
Governmental Activities:						
Public safety and legal services	\$ 2,074,501	\$ 210,266	\$ 146,252	\$ -	\$ (1,717,983)	
Physical health and social services	554,694	72,557	253,779	-	(228,358)	
Mental health	1,157,048	43,662	723,797	-	(389,589)	
County environment and education	433,641	45,955	86,633	-	(301,053)	
Roads and transportation	2,305,951	43,086	1,901,227	1,472,967	1,111,329	
Government services to residents	328,567	280,899	-	-	(47,668)	
Administration	798,933	112,228	915	-	(685,790)	
Interest on long-term debt	236,015	-	-	-	(236,015)	
Capital projects	65,545	-	-	-	(65,545)	
Total	\$ 7,954,895	\$ 808,653	\$ 3,112,603	\$ 1,472,967	(2,560,672)	

General Revenues:

Property and other county tax levied for:	
General purposes	3,786,331
Capital projects	578,797
Penalty and interest on property tax	62,374
State tax credits	193,207
Local option sales and services tax	1,184,693
Grants and contributions not restricted to a specific purpose	22,185
Unrestricted investment earnings	136,299
Miscellaneous	77,813
Total general revenues	<u>6,041,699</u>
Change in net assets	3,481,027
Net assets beginning of year, as restated (note 13)	<u>8,118,889</u>
Net assets end of year	<u>\$ 11,599,916</u>

See notes to financial statements.

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JEFFERSON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 1,224,443	\$ 717,073	\$ 360,585	\$ 1,311,416
Receivables:				
Property tax:				
Delinquent	10,091	1,929	1,436	-
Succeeding year	2,262,000	432,000	550,000	-
Interest and penalty on property tax	39,727	-	-	-
Accounts	25,700	-	18,391	-
Accrued interest	9,435	-	-	-
Due from other governments	42,733	-	14,484	150,040
Inventories	-	-	-	173,695
Prepaid expenses	63,819	-	-	16,379
Total assets	\$ <u>3,677,948</u>	\$ <u>1,151,002</u>	\$ <u>944,896</u>	\$ <u>1,651,530</u>

<u>Local Option Sales and Services Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,370,611	\$ 1,503,271	\$ 7,487,399
-	593	14,049
-	140,000	3,384,000
-	-	39,727
-	561	44,652
18,370	4,774	32,579
148,916	14,196	370,369
-	-	173,695
-	-	80,198
<u>\$ 2,537,897</u>	<u>\$ 1,663,395</u>	<u>\$ 11,626,668</u>

JEFFERSON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 63,055	\$ 42,640	\$ 1,892	\$ 65,820
Due to other governments	-	104,284	-	-
Deferred revenue:				
Succeeding year property tax	2,262,000	432,000	550,000	-
Other	49,818	1,929	1,436	-
Total liabilities	<u>2,374,873</u>	<u>580,853</u>	<u>553,328</u>	<u>65,820</u>
Fund balance:				
Reserved for:				
Inventories	-	-	-	173,695
Prepaid expenses	63,819	-	-	16,379
Supplemental levy purposes	592,727	-	-	-
Urban renewal bonds	-	-	-	-
Local option sales and services tax bonds	-	-	-	-
Unreserved, reported in:				
General fund	646,529	-	-	-
Special revenue funds	-	570,149	391,568	1,395,636
Capital projects fund	-	-	-	-
Total fund balances	<u>1,303,075</u>	<u>570,149</u>	<u>391,568</u>	<u>1,585,710</u>
Total liabilities and fund balances	<u>\$ 3,677,948</u>	<u>\$ 1,151,002</u>	<u>\$ 944,896</u>	<u>\$ 1,651,530</u>

See notes to financial statements.

<u>Local Option</u> <u>Sales and</u> <u>Services Tax</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 1,580	\$ 174,987
-	-	104,284
-	140,000	3,384,000
-	593	53,776
-	142,173	3,717,047
-	-	173,695
-	-	80,198
-	-	592,727
-	98,000	98,000
-	425,500	425,500
-	-	646,529
2,537,897	837,226	5,732,476
-	160,496	160,496
2,537,897	1,521,222	7,909,621
<u>\$ 2,537,897</u>	<u>\$ 1,663,395</u>	<u>\$ 11,626,668</u>

JEFFERSON COUNTY

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2004

Total fund balances of governmental funds	\$ 7,909,621
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. The cost of assets is \$11,041,261 and the accumulated depreciation is \$2,862,964.	8,178,297
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	53,776
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(43,047)
Long-term liabilities, including bonds payable, capital loan notes payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(4,498,731)</u>
Net assets of governmental activities	<u><u>\$ 11,599,916</u></u>
See notes to financial statements	

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JEFFERSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2004

		Special Revenue		
	General	Mental Health	Rural Service	Secondary Roads
Revenues:				
Property and other County tax	\$ 2,491,421	\$ 572,755	\$ 821,317	\$ -
Interest and penalty on property tax	62,374	-	-	-
Intergovernmental	563,301	752,987	112,084	1,901,227
Licenses and permits	4,695	-	-	896
Charges for service	514,043	838	-	34,180
Use of money and property	184,652	-	-	-
Miscellaneous	22,613	42,820	-	9,440
Total revenues	<u>3,843,099</u>	<u>1,369,400</u>	<u>933,401</u>	<u>1,945,743</u>
Expenditures:				
Operating:				
Public safety and legal services	1,980,460	-	-	-
Physical health and social services	554,937	-	-	-
Mental health	-	1,157,048	-	-
County environment and education	263,764	-	167,868	-
Roads and transportation	-	-	-	2,398,352
Government services to residents	328,567	-	-	-
Administration	788,941	-	-	-
Debt service	9,496	-	-	-
Capital projects	-	-	-	155,012
Total expenditures	<u>3,926,165</u>	<u>1,157,048</u>	<u>167,868</u>	<u>2,553,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(83,066)</u>	<u>212,352</u>	<u>765,533</u>	<u>(607,621)</u>
Other financing sources (uses):				
Interfund transfers in	33,580	-	-	753,208
Interfund transfers out	-	-	(753,208)	-
Total other financing sources (uses)	<u>33,580</u>	<u>-</u>	<u>(753,208)</u>	<u>753,208</u>

Local Option Sales and Services Tax	Nonmajor Governmental Funds	Total
\$ 1,077,626	\$ 578,797	\$ 5,541,916
-	-	62,374
-	13,199	3,342,798
-	-	5,591
-	67,836	616,897
33,779	22,620	241,051
-	15,550	90,423
<u>1,111,405</u>	<u>698,002</u>	<u>9,901,050</u>
-	2,120	1,982,580
-	-	554,937
-	-	1,157,048
-	8,019	439,651
-	-	2,398,352
-	-	328,567
-	-	788,941
-	817,853	827,349
-	396,832	551,844
<u>-</u>	<u>1,224,824</u>	<u>9,029,269</u>
<u>1,111,405</u>	<u>(526,822)</u>	<u>871,781</u>
-	817,853	1,604,641
<u>(552,073)</u>	<u>(299,360)</u>	<u>(1,604,641)</u>
<u>(552,073)</u>	<u>518,493</u>	<u>-</u>

JEFFERSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2004

	Special Revenue			
	General	Mental Health	Rural Service	Secondary Roads
Net change in fund balances	\$ (49,486)	\$ 212,352	\$ 12,325	\$ 145,587
Fund balances beginning of year, as restated (note 13)	1,352,561	357,797	379,243	1,440,123
Fund balances end of year	<u>\$ 1,303,075</u>	<u>\$ 570,149</u>	<u>\$ 391,568</u>	<u>\$ 1,585,710</u>

See notes to financial statements.

<u>Local Option Sales and Services Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 559,332	\$ (8,329)	\$ 871,781
<u>1,978,565</u>	<u>1,529,551</u>	<u>7,037,840</u>
<u>\$ 2,537,897</u>	<u>\$ 1,521,222</u>	<u>\$ 7,909,621</u>

JEFFERSON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

Net change in fund balances - total governmental funds \$ 871,781

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets. The amount of capital outlays and
depreciation expense in the current year are as follows:

	Capital outlays	\$ 848,016	
Capital assets contributed by the Iowa Department of Transportation	1,472,967		
Depreciation expense	<u>(378,179)</u>		1,942,804

Because some revenues will not be collected for several months after the
County's year end, they are not considered available revenues and are
deferred in the governmental funds.

	Property tax	7,905
--	--------------	-------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		585,000
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Some expenses reported in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as
expenditures in governmental funds, as follows:

	Compensated absences	13,203	
Interest on long-term debt	<u>6,334</u>		19,537

Payments by other entities to retire capital loan note certificates are not
recorded in governmental funds. However, the payments are recorded as
miscellaneous revenues in governmental activities to offset the
long-term liability retired.

54,000

Change in net assets of governmental activities		\$ <u><u>3,481,027</u></u>
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See notes to financial statements.

JEFFERSON COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2004

Assets	
Cash and pooled investments:	
County Treasurer	\$ 955,688
Other County officials	33,701
Receivables:	
Property tax receivable:	
Delinquent	51,843
Succeeding year	11,409,000
Accounts receivable	32,372
Due from other governments	<u>2,560</u>
Total assets	<u><u>\$ 12,485,164</u></u>
Liabilities	
Accounts payable	\$ 26,179
Due to other governments	12,421,903
Trusts payable	<u>37,082</u>
Total liabilities	<u><u>\$ 12,485,164</u></u>

See notes to financial statements.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies

Jefferson County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Jefferson County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the County.

These financial statements present Jefferson County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

One drainage district has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Jefferson County Board of Supervisors. The drainage district is reported as a Special Revenue Fund. Financial information of the drainage district can be obtained from the Jefferson County Auditor's office.

Jointly Governed Organizations – The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Jefferson County Assessor's Conference Board, Jefferson County Emergency Management Commission and Jefferson County Joint E-911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-wide Financial Statements – The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The statement of net assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the main operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Special Revenue (continued):

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Local Option Sales and Services Tax fund is used to account for the County's revenues and disbursements related to the local option sales and services tax.

Additionally, the County reports the following funds:

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2003.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 65,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	25-50
Improvements other than buildings	20-50
Infrastructure	10-65
Equipment	3-20
Vehicles	5-15

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue in the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is recorded in the governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Long-term Liabilities – In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2004, disbursements did not exceed the amounts budgeted in any of the ten functions.

Note 2. Cash and Pooled Investments

The County's deposits in banks at June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. The chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County's funds are all deposited in financial institution depository accounts.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 753,208
Local Option Sales and Services Tax Sinking	Local Option Sales and Services Tax	552,073
Urban Renewal Projects Sinking	Blackhawk-Center Tax Increment Financing	265,780
General	Conservation Land Acquisition	25,000
General	Capital Projects: Courthouse roof	<u>8,580</u>
		<u>\$ 1,604,641</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 4. Capital Assets

A summary of capital assets activity for the year ended June 30, 2004 is as follows:

	Balance Beginning of Year, as Restated (note 13)	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$ 5,646,679	\$ 324,092	\$ -	\$ 5,970,771
Improvements other than buildings	53,481	-	-	53,481
Machinery and equipment	3,020,118	361,717	-	3,381,835
Infrastructure	-	1,635,174	-	1,635,174
Total capital assets being depreciated	<u>8,720,278</u>	<u>2,320,983</u>	<u>-</u>	<u>11,041,261</u>
Less accumulated depreciation for:				
Buildings	697,839	113,838	-	811,677
Improvements other than buildings	9,871	1,541	-	11,412
Machinery and equipment	1,777,075	198,499	-	1,975,574
Infrastructure	-	64,301	-	64,301
Total accumulated depreciation	<u>2,484,785</u>	<u>378,179</u>	<u>-</u>	<u>2,862,964</u>
Governmental activities capital assets, net	<u>\$ 6,235,493</u>	<u>\$ 1,942,804</u>	<u>\$ -</u>	<u>\$ 8,178,297</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 128,200
Physical health and social services	1,125
County environment and education	16,529
Roads and transportation	220,945
Administration	<u>11,380</u>
Total depreciation expense - governmental activities	<u>\$ 378,179</u>

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 5. Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

<u>Fund</u>	<u>Description</u>	<u>Services and Collections</u>	<u>Delinquent and Succeeding Year Property Taxes</u>	<u>Total</u>
Special Revenue:				
Mental Health	Services	\$ <u>104,284</u>	\$ <u>-</u>	\$ <u>104,284</u>
Agency:				
County Assessor	Collections	\$ 168,149	\$ 327,383	\$ 495,532
Schools		113,911	6,484,359	6,598,270
Area Schools		6,514	327,455	333,969
Corporations		54,454	3,182,024	3,236,478
Auto License and Use Tax		255,184	-	255,184
All Other		<u>362,848</u>	<u>1,139,622</u>	<u>1,502,470</u>
Total for agency funds		\$ <u>961,060</u>	\$ <u>11,460,843</u>	\$ <u>12,421,903</u>

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2004 is as follows:

	<u>Urban Renewal Tax Increment Revenue Bonds</u>	<u>Local Option Sales and Services Tax Revenue Bonds</u>	<u>Capital Loan Note Certificates</u>	<u>Capital Loan Notes</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 1,330,000	\$ 3,185,000	\$ 106,000	\$ 400,000	\$ 129,934	\$ 5,150,934
Increases	-	-	33,000	-	116,731	149,731
Decreases	<u>195,000</u>	<u>390,000</u>	<u>87,000</u>	-	<u>129,934</u>	<u>801,934</u>
Balance end of year	\$ <u>1,135,000</u>	\$ <u>2,795,000</u>	\$ <u>52,000</u>	\$ <u>400,000</u>	\$ <u>116,731</u>	\$ <u>4,498,731</u>
Due within one year	\$ <u>205,000</u>	\$ <u>410,000</u>	\$ <u>35,500</u>	\$ <u>130,000</u>	\$ <u>116,731</u>	\$ <u>897,231</u>

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 6. Long-Term Liabilities (continued)

A summary of the County's tax increment revenue bonds at June 30, 2004 is as follows:

Year Ending June 30,	Issue of December 1, 1998			Issue of April 1, 1999			Total	
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest
2005	4.40 %	\$ 100,000	\$ 25,467	5.85 %	\$ 105,000	\$ 34,902	\$ 205,000	\$ 60,369
2006	4.50	105,000	21,068	5.90	110,000	28,760	215,000	49,828
2007	4.60	110,000	16,342	5.95	120,000	22,270	230,000	38,612
2008	4.75	115,000	11,283	6.00	120,000	15,130	235,000	26,413
2009	4.85	<u>120,000</u>	<u>5,820</u>	6.10	<u>130,000</u>	<u>7,930</u>	<u>250,000</u>	<u>13,750</u>
Total		<u>\$ 550,000</u>	<u>\$ 79,980</u>		<u>\$ 585,000</u>	<u>\$ 108,992</u>	<u>\$ 1,135,000</u>	<u>\$ 188,972</u>

The resolution providing for the issuance of the tax increment revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the urban renewal tax increment financing received by the County, and the bond holders hold a lien on the future revenues received.
- (b) Sufficient semi-annual deposits shall be made to the urban renewal debt sinking account for the purpose of making the bond principal and interest payments when due.
- (c) A separate bond reserve fund will be maintained in the amount of \$98,000 to be used solely for the purpose of paying principal and interest in the event the revenue account does not have sufficient funds for that purpose.

Local Option Sales and Services Tax Revenue Bonds

A summary of the County's local option sales and services tax revenue bonds is as follows:

Year Ending June 30,	Interest Rates	Issue of January 1, 2000	
		Principal	Interest
2005	5.25 %	\$ 410,000	\$ 140,870
2006	5.35	430,000	118,605
2007	5.40	450,000	94,953
2008	5.45	475,000	69,859
2009	5.50	500,000	43,165
2010	5.55	<u>530,000</u>	<u>14,707</u>
Total		<u>\$ 2,795,000</u>	<u>\$ 482,159</u>

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 6. Long-Term Liabilities (continued)

Local Option Sales and Services Tax Revenue Bonds (continued)

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the costs of constructing and equipping a local law enforcement center. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the County and local participating incorporated and unincorporated areas in accordance with Chapter 442B.12 of the Code of Iowa. The bonds are not a general obligation of the County. The debt, however, is subject to the constitutional debt limitation of the County.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the local option sales and service tax revenues received by the County, and the bond holders hold a lien on the future revenues received.
- (b) Sufficient semi-annual deposits shall be made to the Local Law Enforcement debt sinking account for the purpose of making the bond principal and interest payments when due.
- (c) A separate bond reserve fund will be maintained in the amount of \$425,500 to be used solely for the purpose of paying principal and interest in the event the revenue account does not have sufficient funds for that purpose.

Capital Loan Note Certificates

Jefferson County is one of ten participating member counties in the South Iowa Area Detention Service Agency (SIADSA) Capital Loan Note Certificate agreement. Each member county issued \$230,000 General Obligation Capital Loan Notes on May 1, 1991 to SIADSA which secured \$2,300,000 of Capital Loan Note Certificates issued by SIADSA. On May 1, 2004 \$330,000 of general obligation capital loan notes were issued to call the May 1, 1991 issue on June 1, 2004. SIADSA also contributed \$140,000 of reserve funds to reduce the principal amount. Each counties share in the remaining debt is 10%.

The County is responsible for paying principal and interest on its share of the facility's debt when the facility's revenue is insufficient to cover such debt payments. The County was notified in previous years that it may have to pay \$25,000 to cover the principal and interest payments. As of the current fiscal year the County has not yet been required to pay any share of the debt. However, the County continues to budget for the contingent liability.

Jefferson County is one of five participating member counties in the Heartland Group Capital Loan Note Certificate agreement. Each member county issued \$160,000 General Obligation Capital Loan Notes on March 1, 1994 which secured \$800,000 of Capital Loan Note Certificates issued by the Heartland Group.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 6. Long-Term Liabilities (continued)

Capital Loan Note Certificates (continued)

Year Ending June 30,	SIADSA Loan		Heartland Group		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 16,500	\$ 715	\$ 19,000	\$ 969	\$ 35,500	\$ 1,684
2006	<u>16,500</u>	<u>330</u>	<u>-</u>	<u>-</u>	<u>16,500</u>	<u>330</u>
Total	<u>\$ 33,000</u>	<u>\$ 1,045</u>	<u>\$ 19,000</u>	<u>\$ 969</u>	<u>\$ 52,000</u>	<u>\$ 2,014</u>

During the year ended June 30, 2004, \$87,000 of capital loan notes were retired by the entities listed above and \$33,000 of refunding capital loan notes were issued.

Capital Loan Notes

Details of the County's general obligation capital loan note indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest
2005	1.65 %	\$ 130,000	\$ 7,883
2006	1.95	135,000	5,737
2006	2.30	<u>135,000</u>	<u>3,105</u>
Total		<u>\$ 400,000</u>	<u>\$ 16,725</u>

Note 7. Landfill Closure and Postclosure Care Costs

Jefferson County is a member of a multi-government 28E agreement established in 1974. This agreement provides the public authority for the Southeast Multi-County Solid Waste Agency (SEMCO) to operate under a separate Board of Directors and provide municipal solid waste landfill services. SEMCO therefore is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care costs. Any additional costs that might arise from changes in regulations or technology are anticipated to be covered by increases in rates for future landfill users.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

Note 8. Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 4.99% and 7.48%, respectively. Contribution requirements are established by State statute. The County's contribution to IPERS for the years ended June 30, 2004, 2003, and 2002 were \$175,125, \$167,766, and \$166,963, respectively, equal to the required contributions for each year.

Note 9. Risk Management

Jefferson County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 490 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2004 were \$167,568.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual member basis.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 9. Risk Management (continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2004, no liability has been recorded in the County's financial statements. As of June 30, 2004, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. Workers' Compensation

The County is a member of the Iowa Municipalities Workers' Compensation Association (IMWCA) which provides workers' compensation coverage to its members in the amount of \$1,000,000.

Note 11. County Care Facility

The management and operation of the Jefferson County Care Facility is provided by ResCare, Inc. The County leased the Care Facility site to ResCare, Inc., under an agreement whereby the County is to reimburse ResCare, Inc. monthly for service provided on a per patient basis.

The lease was renewed in May, 2002 for three years until June 30, 2005. The new lease will automatically renew for an additional three year term unless either party provides notice before February 1, 2005 of its intention not to renew this lease.

Note 12. Contingent Liability

The County is involved in an ongoing lawsuit alleging personal injury due to the alleged negligence of a County employee. The County's insurance carrier is affording coverage for the lawsuit. The outcome of the case cannot be determined at this time.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Note 13. Accounting Change

Governmental Accounting Standards Board (GASB) Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements was implemented during the year ended June 30, 2004. The interpretation modifies when compensated absence and early retirement liabilities are recorded under the modified accrual basis of accounting.

Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosure; and Statement No. 41, Budgetary Comparison Schedule – Perspective Differences were implemented during the year ended June 30, 2004. The statements create new basic financial statements for reporting the County’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements report the County’s governmental activities. The beginning net asset amount for governmental activities has been restated to include capital assets, long-term liabilities and the changes in assets and liabilities at July 1, 2003 caused by the conversion to the accrual basis of accounting.

	<u>Total</u>
Net assets, June 30, 2003, as previously reported	\$ 7,006,022
GASB Interpretation 6 adjustments	<u>31,818</u>
Net assets, July 1, 2003, as restated for governmental funds	7,037,840
GASB 34 adjustments:	
Capital assets, net of accumulated depreciation of \$2,484,785	6,235,493
Long-term liabilities:	
Bonds and notes	(5,021,000)
Compensated absences	(129,934)
Accrued interest payable	(49,381)
Change in deferral of long-term assets	<u>45,871</u>
Net assets, July 1, 2003, as restated	<u>\$ 8,118,889</u>

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Required Supplementary Information

JEFFERSON COUNTY

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds
Required Supplementary Information
Year Ended June 30, 2004

	Actual	Less Funds not Required to be Budgeted	Net
RECEIPTS:			
Property and other County tax	\$ 4,925,414	\$ -	\$ 4,925,414
Interest and penalty on property tax	62,374	-	62,374
Intergovernmental	4,010,769	-	4,010,769
Licenses and permits	5,566	-	5,566
Charges for service	601,535	-	601,535
Use of money and property	236,424	140	236,284
Miscellaneous	86,885	-	86,885
Total receipts	<u>9,928,967</u>	<u>140</u>	<u>9,928,827</u>
DISBURSEMENTS:			
Public safety and legal services	1,983,478	-	1,983,478
Physical health and social services	538,123	-	538,123
Mental health	1,117,229	-	1,117,229
County environment and education	434,910	282	434,628
Roads and transportation	2,376,964	-	2,376,964
Government services to residents	322,016	-	322,016
Administration	789,878	-	789,878
Debt service	827,349	-	827,349
Capital projects	553,301	-	553,301
Total disbursements	<u>8,943,248</u>	<u>282</u>	<u>8,942,966</u>
Excess (deficiency) of receipts over (under) disbursements	985,719	(142)	985,861
Other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	985,719	(142)	985,861
Balance beginning of year	<u>6,501,680</u>	<u>13,398</u>	<u>6,488,282</u>
Balance end of year	<u>\$ 7,487,399</u>	<u>\$ 13,256</u>	<u>\$ 7,474,143</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
\$ 4,852,357	\$ 4,852,357	\$ 73,057
48,500	48,500	13,874
3,926,226	3,933,595	77,174
4,500	4,500	1,066
565,860	565,860	35,675
261,295	261,295	(25,011)
1,800	5,012	81,873
9,660,538	9,671,119	257,708
2,113,315	2,123,184	139,706
509,518	579,451	41,328
1,434,577	1,434,577	317,348
474,577	474,577	39,949
2,388,800	2,388,800	11,836
328,418	328,418	6,402
804,766	805,396	15,518
817,853	827,853	504
740,000	855,801	302,500
9,611,824	9,818,057	875,091
48,714	(146,938)	1,132,799
400,000	400,000	(400,000)
448,714	253,062	732,799
5,112,547	5,112,547	1,375,735
\$ 5,561,261	\$ 5,365,609	\$ 2,108,534

JEFFERSON COUNTY

Budgetary Comparison Schedule – Budget to GAAP Reconciliation Required Supplementary Information Year Ended June 30, 2004

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 9,928,967	\$ (27,917)	\$ 9,901,050
Expenditures	8,943,248	86,021	9,029,269
Net	985,719	(113,938)	871,781
Other financing sources	-	-	-
Beginning fund balances, as restated	6,501,680	536,160	7,037,840
Ending fund balances	<u>\$ 7,487,399</u>	<u>\$ 422,222</u>	<u>\$ 7,909,621</u>

See accompanying independent auditor's report.

JEFFERSON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2004

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund or fund type. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund and capital projects funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$206,233. This budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E-911 System by the Joint E-911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2004, disbursements did not exceed the amounts budgeted in any of the ten functions and disbursements did not exceed the amounts appropriated in any department.

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Other Supplementary Information

JEFFERSON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2004

	Special Revenue			
	Local Option Sales and Services Tax Reserve	Urban Renewal Projects Reserve	Blackhawk- Center Tax Increment Financing	Resource Enhancement and Protection
Assets				
Cash and pooled investments	\$ 425,500	\$ 98,000	\$ 737,400	\$ 23,158
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accrued interest	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 425,500</u>	<u>\$ 98,000</u>	<u>\$ 737,400</u>	<u>\$ 23,158</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue:				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for:				
Urban renewal bonds	-	98,000	-	-
Local option sales and services tax bonds	425,500	-	-	-
Unreserved	-	-	737,400	23,158
Total fund balances	<u>425,500</u>	<u>98,000</u>	<u>737,400</u>	<u>23,158</u>
Total liabilities and fund balances	<u>\$ 425,500</u>	<u>\$ 98,000</u>	<u>\$ 737,400</u>	<u>\$ 23,158</u>

<u>Drug Forfeiture</u>	<u>Special Response Team</u>	<u>Drug Control Policy</u>	<u>County Recorder's Records Management</u>	<u>County Recorder's Electronic Transaction Fee</u>	<u>Rocky Branch Watershed</u>
\$ 1,010	\$ 200	\$ 40	\$ 15,500	\$ 22,761	\$ 13,256
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9	-	-
-	-	-	359	-	-
-	-	-	-	14,196	-
<u>\$ 1,010</u>	<u>\$ 200</u>	<u>\$ 40</u>	<u>\$ 15,868</u>	<u>\$ 36,957</u>	<u>\$ 13,256</u>
\$ -	\$ -	\$ -	\$ -	\$ -	80
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	80
-	-	-	-	-	-
-	-	-	-	-	-
1,010	200	40	15,868	36,957	13,176
1,010	200	40	15,868	36,957	13,176
<u>\$ 1,010</u>	<u>\$ 200</u>	<u>\$ 40</u>	<u>\$ 15,868</u>	<u>\$ 36,957</u>	<u>\$ 13,256</u>

JEFFERSON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2004

			Capital Projects	
	Conservation Land Acquisition	Debt Service	Urban Renewal Project	Law Enforcement Center
Assets				
Cash and pooled investments	\$ 10,715	\$ -	\$ 49,802	\$ 44,273
Receivables:				
Property tax:				
Delinquent	-	593	-	-
Succeeding year	-	140,000	-	-
Accrued interest	-	-	649	4,116
Accounts	202	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 10,917</u>	<u>\$ 140,593</u>	<u>\$ 50,451</u>	<u>\$ 48,389</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,500	\$ -	\$ -	\$ -
Deferred revenue:				
Succeeding year property tax	-	140,000	-	-
Other	-	593	-	-
Total liabilities	<u>1,500</u>	<u>140,593</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for:				
Urban renewal bonds	-	-	-	-
Local option sales and services				
tax bonds	-	-	-	-
Unreserved	<u>9,417</u>	<u>-</u>	<u>50,451</u>	<u>48,389</u>
Total fund balances	<u>9,417</u>	<u>-</u>	<u>50,451</u>	<u>48,389</u>
Total liabilities and fund balances	<u>\$ 10,917</u>	<u>\$ 140,593</u>	<u>\$ 50,451</u>	<u>\$ 48,389</u>

See accompanying independent auditor's report.

<hr/>	
Courthouse Roof	Total
<hr/>	<hr/>
\$ 61,656	\$ 1,503,271
-	593
-	140,000
-	4,774
-	561
-	14,196
<hr/>	<hr/>
\$ <u>61,656</u>	\$ <u>1,663,395</u>
\$ -	\$ 1,580
-	140,000
-	593
<hr/>	<hr/>
-	142,173
<hr/>	<hr/>
-	98,000
-	425,500
61,656	997,722
<hr/>	<hr/>
61,656	1,521,222
<hr/>	<hr/>
\$ <u>61,656</u>	\$ <u>1,663,395</u>

JEFFERSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2004

	Special Revenue			
	Local Option Sales and Services Tax Reserve	Local Option Sales and Services Tax Sinking	Urban Renewal Projects Reserve	Urban Renewal Projects Sinking
Revenues:				
Property and other County tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
County environment and education	-	-	-	-
Debt service	-	552,073	-	265,780
Capital projects	-	-	-	-
Total expenditures	-	552,073	-	265,780
Excess (deficiency) of revenues over (under) expenditures	-	(552,073)	-	(265,780)
Other financing sources (uses):				
Interfund transfers in	-	552,073	-	265,780
Interfund transfers out	-	-	-	-
	-	552,073	-	265,780
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	-	-
Fund balances beginning of year	425,500	-	98,000	-
Fund balances end of year	\$ 425,500	\$ -	\$ 98,000	\$ -

<u>Blackhawk- Center Tax Increment Financing</u>	<u>Resource Enhancement and Protection</u>	<u>Drug Forfeiture</u>	<u>Special Response Team</u>	<u>Drug Control Policy</u>	<u>County Recorder's Records Management</u>	<u>County Recorder's Electronic Transaction Fee</u>
\$ 578,797	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	10,659	-	-	-	-	-
-	-	-	15	-	3,809	36,885
-	168	36	25	3	101	72
-	-	-	-	-	-	-
<u>578,797</u>	<u>10,827</u>	<u>36</u>	<u>40</u>	<u>3</u>	<u>3,910</u>	<u>36,957</u>
-	-	-	2,120	-	-	-
-	2,938	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,938	-	2,120	-	-	-
578,797	7,889	36	(2,080)	3	3,910	36,957
-	-	-	-	-	-	-
(265,780)	-	-	-	-	-	-
(265,780)	-	-	-	-	-	-
313,017	7,889	36	(2,080)	3	3,910	36,957
424,383	15,269	974	2,280	37	11,958	-
<u>\$ 737,400</u>	<u>\$ 23,158</u>	<u>\$ 1,010</u>	<u>\$ 200</u>	<u>\$ 40</u>	<u>\$ 15,868</u>	<u>\$ 36,957</u>

JEFFERSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2004

	Rocky Branch Watershed	Conservation Land Acquisition
Revenues:		
Property and other County tax	\$ -	\$ -
Intergovernmental	-	2,540
Charges for service	-	27,127
Use of money and property	140	2,653
Miscellaneous	-	15,550
Total revenues	<u>140</u>	<u>47,870</u>
Expenditures:		
Operating:		
Public safety and legal services	-	-
County environment and education	362	4,719
Debt service	-	-
Capital projects	-	43,619
Total expenditures	<u>362</u>	<u>48,338</u>
Excess (deficiency) of revenues over (under) expenditures	(222)	(468)
Other financing sources (uses):		
Interfund transfers in	-	-
Interfund transfers out	-	(25,000)
	<u>-</u>	<u>(25,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(222)	(25,468)
Fund balances beginning of year	<u>13,398</u>	<u>34,885</u>
Fund balances end of year	<u>\$ 13,176</u>	<u>\$ 9,417</u>

See accompanying independent auditor's report.

Capital Projects			
Urban Renewal Projects	Law Enforcement Center	Courthouse Roof	Total
\$ -	\$ -	\$ -	578,797
-	-	-	13,199
-	-	-	67,836
2,240	15,224	1,958	22,620
-	-	-	15,550
2,240	15,224	1,958	698,002
-	-	-	2,120
-	-	-	8,019
-	-	-	817,853
-	65,801	287,412	396,832
-	65,801	287,412	1,224,824
2,240	(50,577)	(285,454)	(526,822)
-	-	-	817,853
-	-	(8,580)	(299,360)
-	-	(8,580)	518,493
2,240	(50,577)	(294,034)	(8,329)
48,211	98,966	355,690	1,529,551
\$ 50,451	\$ 48,389	\$ 61,656	\$ 1,521,222

JEFFERSON COUNTY

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2004

	County Offices		Agricultural	County
	County	County	Extension	County
	Recorder	Sheriff	Education	Assessor
ASSETS				
Cash and pooled investments:				
County Treasurer	\$ -	\$ -	\$ 1,881	\$ 168,149
Other County officials	17,896	15,805	-	-
Receivables:				
Property tax:				
Delinquent	-	-	517	1,383
Succeeding year	-	-	122,000	326,000
Accounts	1,884	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 19,780</u>	<u>\$ 15,805</u>	<u>\$ 124,398</u>	<u>\$ 495,532</u>
LIABILITIES				
Accounts payable	\$ 11,460	\$ -	\$ -	\$ -
Due to other governments	8,320	-	124,398	495,532
Trusts payable	-	15,805	-	-
Total liabilities	<u>\$ 19,780</u>	<u>\$ 15,805</u>	<u>\$ 124,398</u>	<u>\$ 495,532</u>

<u>Area Schools</u>	<u>Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto Licenses and Use Tax</u>	<u>E-911</u>
\$ 6,514	\$ 113,911	\$ 54,454	\$ 2,154	\$ 627	\$ 266,087	\$ 207,520
-	-	-	-	-	-	-
1,455	29,359	15,024	336	-	-	-
326,000	6,455,000	3,167,000	125,000	-	-	-
-	-	-	-	-	-	28,693
-	-	-	-	-	-	-
<u>\$ 333,969</u>	<u>\$ 6,598,270</u>	<u>\$ 3,236,478</u>	<u>\$ 127,490</u>	<u>\$ 627</u>	<u>\$ 266,087</u>	<u>\$ 236,213</u>
\$ -	\$ -	\$ -	\$ -	\$ -	10,903	2,021
333,969	6,598,270	3,236,478	127,490	627	255,184	234,192
-	-	-	-	-	-	-
<u>\$ 333,969</u>	<u>\$ 6,598,270</u>	<u>\$ 3,236,478</u>	<u>\$ 127,490</u>	<u>\$ 627</u>	<u>\$ 266,087</u>	<u>\$ 236,213</u>

JEFFERSON COUNTY

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2004

	County Hospital	Restoration	Emergency Joint Management Services	Brucellosis and Tuberculosis Eradication
ASSETS				
Cash and pooled investments:				
County Treasurer	\$ 15,321	\$ 16,634	\$ 5,692	\$ 940
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	3,761	-	-	8
Succeeding year	886,000	-	-	2,000
Accounts	-	-	-	-
Due from other governments	-	-	2,560	-
Total assets	<u>\$ 905,082</u>	<u>\$ 16,634</u>	<u>\$ 8,252</u>	<u>\$ 2,948</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	-
Due to other governments	905,082	-	8,252	2,948
Trusts payable	-	16,634	-	-
Total liabilities	<u>\$ 905,082</u>	<u>\$ 16,634</u>	<u>\$ 8,252</u>	<u>\$ 2,948</u>

See accompanying independent auditor's report.

<u>Advance Tax Payments</u>	<u>Bankruptcy</u>	<u>Tax Sale Redemption</u>	<u>Anatomical Gift, Public Awareness and Transportation</u>	<u>Recorder's Electronic Transaction Fees</u>	<u>Decategorization Grant</u>	<u>Total</u>
\$ 3,376	\$ 1,042	\$ 225	\$ 22	\$ -	\$ 91,139	\$ 955,688
-	-	-	-	-	-	33,701
-	-	-	-	-	-	51,843
-	-	-	-	-	-	11,409,000
-	-	-	-	1,795	-	32,372
-	-	-	-	-	-	2,560
<u>\$ 3,376</u>	<u>\$ 1,042</u>	<u>\$ 225</u>	<u>\$ 22</u>	<u>\$ 1,795</u>	<u>\$ 91,139</u>	<u>\$ 12,485,164</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,795	\$ -	\$ 26,179
-	-	-	22	-	91,139	12,421,903
3,376	1,042	225	-	-	-	37,082
<u>\$ 3,376</u>	<u>\$ 1,042</u>	<u>\$ 225</u>	<u>\$ 22</u>	<u>\$ 1,795</u>	<u>\$ 91,139</u>	<u>\$ 12,485,164</u>

JEFFERSON COUNTY

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2004

	County Offices			Agricultural	
	County	County	County	Extension	County
	Auditor	Recorder	Sheriff	Education	Assessor
ASSETS AND LIABILITIES					
Balances beginning of year	\$ -	\$ 20,675	\$ 17,068	\$ 106,497	\$ 375,088
Additions:					
Property and other County tax	-	-	-	122,792	327,391
State tax credits	-	-	-	5,332	14,789
E-911 surcharge	-	-	-	-	-
Office fees and collections	1,959	220,486	199,212	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	472,080	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	38,254
Total additions	1,959	220,486	671,292	128,124	380,434
Deductions:					
Agency Remittance:					
To other funds	1,959	127,431	199,212	-	-
To other governments	-	93,950	-	110,223	259,990
Trusts paid out	-	-	473,343	-	-
Total deductions	1,959	221,381	672,555	110,223	259,990
Balances end of year	\$ -	\$ 19,780	\$ 15,805	\$ 124,398	\$ 495,532

<u>Area Schools</u>	<u>Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto Licenses and Use Tax</u>	<u>E-911</u>
\$ <u>378,642</u>	\$ <u>6,517,756</u>	\$ <u>4,060,594</u>	\$ <u>128,724</u>	\$ <u>1,116</u>	\$ <u>253,434</u>	\$ <u>205,944</u>
326,802	6,471,432	2,599,194	123,981	-	-	-
18,576	325,003	151,584	6,545	-	-	-
-	-	-	-	-	-	127,417
-	-	-	-	-	-	-
-	-	-	-	-	2,923,851	-
-	-	-	-	60,650	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,063
-	-	-	-	-	-	215
<u>345,378</u>	<u>6,796,435</u>	<u>2,750,778</u>	<u>130,526</u>	<u>60,650</u>	<u>2,923,851</u>	<u>129,695</u>
-	-	-	-	-	123,752	-
390,051	6,715,921	3,574,894	131,760	61,139	2,787,446	99,426
-	-	-	-	-	-	-
<u>390,051</u>	<u>6,715,921</u>	<u>3,574,894</u>	<u>131,760</u>	<u>61,139</u>	<u>2,911,198</u>	<u>99,426</u>
\$ <u><u>333,969</u></u>	\$ <u><u>6,598,270</u></u>	\$ <u><u>3,236,478</u></u>	\$ <u><u>127,490</u></u>	\$ <u><u>627</u></u>	\$ <u><u>266,087</u></u>	\$ <u><u>236,213</u></u>

JEFFERSON COUNTY

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

Year Ended June 30, 2004

	County Hospital	Restoration	Emergency Joint Management Services	Brucellosis and Tuberculosis Eradication	Advance Tax Payments
ASSETS AND LIABILITIES					
Balances beginning of year	\$ 873,035	\$ 16,342	\$ 9,599	\$ 2,991	\$ 2,556
Additions:					
Property and other County tax	888,301	-	-	1,833	-
State tax credits	43,465	-	-	93	-
E-911 surcharge	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	820
Interest	-	-	-	-	-
Miscellaneous	-	292	21,808	-	-
Total additions	931,766	292	21,808	1,926	820
Deductions:					
Agency Remittance:					
To other funds	-	-	-	-	-
To other governments	899,719	-	23,155	1,969	-
Trusts paid out	-	-	-	-	-
Total deductions	899,719	-	23,155	1,969	-
Balances end of year	\$ 905,082	\$ 16,634	\$ 8,252	\$ 2,948	\$ 3,376

See accompanying independent auditor's report.

<u>Monies and Credits</u>	<u>Bankruptcy</u>	<u>Tax Sale Redemption</u>	<u>Anatomical Gift, Public Awareness and Transportation</u>	<u>Recorder's Electronic Transaction Fees</u>	<u>Decategorization Grants</u>	<u>Total</u>
\$ -	\$ 1,042	\$ 225	\$ 8	\$ -	\$ -	\$ 12,971,336
-	-	-	-	-	-	10,861,726
-	-	-	-	-	-	565,387
-	-	-	-	-	-	127,417
-	-	-	-	19,046	-	440,703
-	-	-	-	-	-	2,923,851
-	-	-	-	-	-	60,650
-	-	-	-	-	-	472,900
-	-	-	-	-	-	2,063
613	-	-	194	-	151,899	213,275
613	-	-	194	19,046	151,899	15,667,972
-	-	-	9	-	-	452,363
613	-	-	171	17,251	60,760	15,228,438
-	-	-	-	-	-	473,343
613	-	-	180	17,251	60,760	16,154,144
\$ -	\$ 1,042	\$ 225	\$ 22	\$ 1,795	\$ 91,139	\$ 12,485,164

JEFFERSON COUNTY

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

	Modified Accrual Basis			
	2004	2003	2002	2001
Revenues:				
Property and other County tax	\$ 5,541,916	\$ 5,443,778	\$ 5,651,315	\$ 4,624,368
Interest and penalty on property tax	62,374	68,333	81,516	65,781
Intergovernmental	3,342,798	3,202,070	3,489,556	3,415,553
Licenses and permits	5,591	4,078	5,533	5,295
Charges for service	616,897	572,672	508,699	439,450
Use of money and property	241,051	265,080	221,703	347,597
Fines, forfeitures and defaults	-	-	4,006	4,281
Miscellaneous	90,423	51,735	32,409	24,923
Total	<u>\$ 9,901,050</u>	<u>\$ 9,607,746</u>	<u>\$ 9,994,737</u>	<u>\$ 8,927,248</u>
Expenditures:				
Current:				
Public safety and legal services	\$ 1,982,580	\$ 1,974,227	\$ 2,028,276	\$ 1,886,918
Physical health and social services	554,937	460,269	635,547	654,894
Mental health	1,157,048	1,254,799	1,405,114	1,377,293
County environment and education services	439,651	417,331	339,585	340,553
Roads and transportation	2,398,352	2,072,421	2,361,469	2,257,913
Governmental services to residents	328,567	290,104	278,579	272,631
Administrative services	788,941	838,836	640,662	734,674
Debt service	827,349	816,341	812,851	781,133
Capital projects	551,844	336,637	828,759	1,382,001
Total	<u>\$ 9,029,269</u>	<u>\$ 8,460,965</u>	<u>\$ 9,330,842</u>	<u>\$ 9,688,010</u>

See accompanying independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Officials of Jefferson County:

We have audited the financial statements of Jefferson County, Iowa, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 10, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Jefferson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have all been resolved except for item II-L-04.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Jefferson County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part I of the accompanying Schedule of Findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item I-A-04 is a material weakness. Prior year reportable conditions have all been resolved except for items I-A-04 and I-B-04.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Jefferson County and other parties to whom Jefferson County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Jefferson County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa
December 10, 2004

JEFFERSON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2004

Part I: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

I-A-04 Segregation of Duties

Comment – During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the County's financial statements. We noted that generally one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.	Ag Extension, Auditor, Recorder, Treasurer
(2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks or handle or record cash.	Ag Extension, Auditor, Recorder, Sheriff, Treasurer
(3) Checks or warrants should be signed by an individual who does not otherwise participate in the preparation of the checks or warrants. Prior to signing, the checks or warrants and the supporting documentation should be reviewed for propriety. After signing, the checks or warrants should be mailed without allowing them to return to individuals who prepare the checks or warrants or approve vouchers for payment.	Ag Extension, Auditor, Recorder, Sheriff, Treasurer

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, each official should review the control procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible, and should be evidenced by the initials or signature of the reviewer and the date of the review.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2004

Part I: Findings Related to the General Purpose Financial Statements (continued):

REPORTABLE CONDITIONS (continued):

I-A-04 Segregation of Duties (continued)

Responses –

Ag Extension – We will review procedures and try to make any necessary changes to improve internal control.

County Auditor – The internal control in processing mail, receipts, claims and payroll will be reviewed and evaluated for propriety. The auditors will evaluate the assignment of personnel in each process and determine if an alternative method would enhance internal controls.

County Recorder – We will review procedures and try to make any necessary changes to improve internal control.

County Sheriff – We will review procedures and try to make any necessary changes to improve internal control.

County Treasurer – We will review procedures and try to make any necessary changes to improve internal control.

Conclusion – Responses accepted.

I-B-04 Clothing Allowance

Comment – We noted that a flat-dollar allowance is given to Secondary Roads employees for clothes but is not reported as part of wages and no support documentation for expenditures is required.

Recommendation – The County should report the clothing allowance as taxable wages on the form W-2 wage statement and the County should withhold the proper state and federal taxes on these items to be in compliance with Internal Revenue Service and Iowa Department of Revenue and Finance requirements or the County should make the allowance on a reimbursement basis only with proper documentation required before making any reimbursements.

Response – We will consider these recommendations and make any changes as necessary.

Conclusion – Response accepted.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS

Year Ended June 30, 2004

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-04 Official Depositories – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded at year end June 30, 2004. However, we noted that the deposits for the Sheriff's account exceeded the depository limit of \$100,000 set by the Board of Supervisors in December, 2003, by \$126,876.
- Recommendation – The Sheriff should deposit excess funds into County Treasurer accounts to avoid risk of loss of public funds.
- Response – This was an unusual situation in relation to a Sheriff's sale. We will raise the Sheriff's depository limit to an adequate amount when large Sheriff's sales occur in the future.
- Conclusion – Response accepted.
- II-B-04 Certified Budget – Disbursements during the year ended June 30, 2004 did not exceed the amounts budgeted in any of the ten County functions.
- II-C-04 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- II-D-04 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- II-E-04 Business Transactions – No business transactions between the County and County officials or employees were noted.
- II-F-04 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be reviewed periodically to insure that the coverage remains adequate for current operations.
- II-G-04 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- II-H-04 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County's investment policy were noted.
- II-I-04 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- II-J-04 Solid Waste Fees – The County neither retained nor used any solid waste fees for the year ended June 30, 2004.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2004

Part II: Other Findings Related to Required Statutory Reporting (continued):

- II-K-04 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2004 for the County Extension Office did not exceed the amount budgeted.

The Board Treasurer's bond covered the amount required by Chapter 176A.14(5) of the Code of Iowa.

- II-L-04 County Ordinances – The County has not compiled a code of ordinances containing all of the County ordinances in effect at least once every five years as required by Chapter 331.302(9) of the Code of Iowa. This was last completed in 1991.

Recommendation – The County should compile a code of ordinances containing all of the County ordinances in effect at least once every five years.

Response – We are working on this compilation and are near completion. This should be done within the next few months.

Conclusion – Response accepted.

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